

To  
The Manager  
The Department of Corporate Services  
BSE Limited  
Floor 25, P. J. Towers,  
Dalal Street, Mumbai – 400 001

To  
The Manager  
The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

**Scrip Code : 533271**

**Scrip Symbol : ASHOKA**

February 5, 2020

**Sub: Acquisition of stake in Mudhol Nipani SPV**

Pursuant to the Regulation 30 of SEBI (LODR) Regulations, 2015 and in continuation to the Company's letter dated May 30, 2016, Ashoka Buildcon Limited ("the Company") is pleased to inform that the Company has further acquired 16016100 equity shares of Ashoka GVR Mudhol Nipani Roads Limited ("SPV") held by GVR Infra Projects Limited. The Company now holds 55229400 (99.99%) equity shares of Rs.10/- each fully paid in the SPV.

The Company had already paid in earlier years aggregate consideration of Rs.35,69,00,000/- (Rupees Thirty Five Crore Sixty Nine Lakh only). Please also note that prior to acquisition the Company was holding 71% of the paid-up share capital of SPV.

The information as required pursuant to SEBI Notification dated September 09, 2015 is given in Annexure enclosed with this letter.

Please take the same on your records.

Yours faithfully,

**For Ashoka Buildcon Limited**



**(Manoj A. Kulkarni)**  
Company Secretary  
ICSI M. No. : FCS – 7377



## Annexure

Information pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 is as follows.

1. Name of the target entity, details in brief such as size, turnover etc.
  - The name of the Target entity is Ashoka GVR Mudhol Nipani Roads Limited ("AGMNRL / SPV"), which is a subsidiary of Ashoka Buildcon Limited ("Company"), in which 71% equity shares are held by the Company and remaining 29% equity shares were held by GVR Infra Projects Limited ("GIPL"). 29% stake held by GIPL is acquired by the Company except 600 shares.
  - AGMNRL is a special purpose vehicle incorporated for the purpose of execution of the project viz. "PROJECT NO. WAP - 2: - Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) the Existing State Highway (SH18) from Mudhol to Maharashtra Border (Approx. length 107.937 Kms) in the State of Karnataka on DBFOMT Annuity Basis" ("Project") awarded by Karnataka State Highways Improvement Project ("KSHIP "). The Company along with GVR Infra Projects Ltd. ("Consortium") had submitted bid to KSHIP. The Project was awarded in February, 2014. The Total Cost of Project is Rs.471.19 Cr. The SPV has completed the construction of the Road Project and has started receiving Bi-annual Annuity effective from June 11, 2017.
2. Whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest, details thereof and whether the same is done at "arm's length".
  - The Company has entered into a Share Purchase Agreement with GVR Infra Projects Limited, ("GIPL"), member of the Consortium, for acquisition of an additional 29% stake in AGMNRL. It is not a related party transaction since GIPL is not a related party to the Company. There is no interest of the Promoter / Promoter Group / group Companies in AGMNRL. The transaction is a commercial transaction with GIPL.
3. Industry to which the entity being acquired belongs
  - The acquired entity belongs to Infrastructure (Roads and Highways) industry.
4. Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
  - The object of the acquisition is to consolidate the stakes.
    - a. The Company is pioneer infrastructure Development Company in Road and Power Transmission & Distribution Sectors. It currently has one of the largest portfolios of BOT Projects in India. Target Entity belongs to main line of business of the Company and shall add value to the business of Company;
    - b. Operations and growth of project are intrinsically linked to its management's decision making. The consolidation of shareholding would facilitate better and stable functioning and operations of the Company; and



- c. Proposed consolidation would facilitate easy and quick decision making and enable the Company to run project to the satisfaction of all stake holders including KSHIP and the Lenders.
- Further AGMNRL has the same business as main line of business of the Company i.e. infrastructure development.
5. Brief details of any governmental or regulatory approvals required for the acquisition;
  - The SPV is governed by the Concession Agreement executed with KSHIP. As per the provisions of the Concession Agreement, the permission of KSHIP is required for effecting change in ownership of SPV. Further the Consent of the Lenders viz. HDFC Bank Ltd., State Bank of India (previously State Bank of Mysore) and Aditya Birla Finance Ltd. ("Lenders") is required prior to transfer of shares by GIPL to the Company. The KSHIP and Lenders have granted their respective consents for effecting transfer and accordingly the Shares were acquired by the Company.
6. Indicative time period for completion of the acquisition;
  - The Company would complete the acquisition of balance 600 shares by March 31, 2020.
7. Nature of consideration - whether cash consideration or share swap and details of the same;
  - The Consideration of Rs.35.69 Cr. for the transaction was already paid in cash.
8. Percentage of shareholding / control acquired and / or number of shares acquired;
  - The Company has acquired 28.99% stake and the total shareholding of the Company in SPV in aggregate is 99.99%.
9. Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years' turnover, Country in which the acquired entity has presence and any other significant information (in brief).
  - The SPV has been incorporated as Special Purpose Vehicle for execution of the project viz. "PROJECT NO. WAP - 2: - Design, Build, Finance, Operate, Maintain and Transfer (DBFOMT) the Existing State Highway (SH18) from Mudhol to Maharashtra Border (Approx. length 107.937 Kms.) in the State of Karnataka on DBFOMT Annuity Basis" ("Project") awarded by Karnataka State Highways Improvement Project ("KSHIP "). SPV has been incorporated in India on March 3, 2014. The Project is completed on December 11, 2016 and bi-annual Annuities are received since June 11, 2017 and continue to receive the annuity upto December 11, 2024.

